

Least Developed Countries in Trade Negotiations: Planning Process and Information Needs

Paper 52

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Price Tk. 35.00

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September, 2005

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The present paper titled *Least Developed Countries in Trade Negotiations: Planning Process and Information Needs* has been prepared under the CPD programme on *Trade Related Research and Policy Development (TRRPD)*. This programme aims at strengthening institutional capacity in Bangladesh in the area of trade policy analysis, negotiations and implementation. The programme, *inter alia*, seeks to project the civil society's perspectives on the emerging issues emanating from the process of globalisation and liberalisation. The outputs of the programme will be available to all stakeholder groups including the government and policymakers, entrepreneurs and business leaders, and trade and development partners.

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Least Developed Countries in Trade Negotiations: Planning Process and Information Needs^{*}

Abstract

This paper highlights the importance of information in the context of the growing involvement of least developed countries (LDCs) in trade negotiations. It provides an overview of the negotiation process, emphasising the importance of planning. Based on a review of the relevant literature, the steps involved in the negotiation process are discussed and illustrated using examples drawn from the Bangladesh experience. The paper then identifies the information and knowledge needs of the LDCs at each step of the process.

One of the distinguishing features of the evolving multilateral trading system (MTS) is the emergence of the LDCs in the negotiations. LDCs were able to actively and effectively identify and pursue their shared interests during the preparations as well as during the Fifth WTO Ministerial Conference at Cancun in 2003. Slowly, but steadily, LDCs have realised their responsibilities and started building their capacities to defend their interests in trade negotiations at the multilateral level and at bilateral and regional levels as well.

Effective negotiation involves thoughtful planning and preparation. The paper observes that the negotiation process may be divided into the following seven steps: (1) identification of the problem to be resolved through negotiation, (2) identification of interests of all parties involved, (3) an effective consultation process with the relevant stakeholders, (4) the establishment of a negotiating machinery and supporting institutions to develop the negotiating agenda, (5) the formulation of a negotiating strategy, (6) the actual negotiation, and (7) the assessment of the negotiation outcome before an agreement is signed. This cycle highlights the fact that actual negotiations are only one of many steps in a negotiation process, and that planning steps account for most of that process.

In the context of multilateral trade negotiations, the paper suggests that coalition building among LDCs during the actual negotiations is key to reaching a successful negotiation outcome. However, the availability of relevant information at each step of the negotiation process is also essential. Information needed for the negotiation should be determined well in advance of the actual negotiation. The paper discusses the information required at each stage of the negotiation process, but also identifies information that may be needed for different types of trade negotiations, such as the WTO accession negotiations, negotiations on new issues, and trade dispute settlement negotiations. Sources of information are also discussed.

LDCs and other developing countries often lack the ability to access relevant information because of limited political strength, as well as lack of financial and human resource capacity. Appropriate training in knowledge and information management for negotiations would be useful to ensure that LDCs come to the negotiating table with the information they need. In that context, improving the flow of information among the negotiators and the relevant government agencies and ministries is particularly important.

Keywords: trade negotiation, LDCs, information, knowledge management.

^{*} The author acknowledges the efficient research support of Ms. Sharmin Farhana Rahman, Research Associate, Centre for Policy Dialogue (CPD), Bangladesh, in preparation of the paper.

1. INTRODUCTION

The Least Developed Countries (LDCs), in their attempt to benefit from the globalisation process and to improve access to the regional and global markets, are increasingly taking part in trade negotiations. Clear understanding and effective handling of negotiations are now two of the major conditions to achieve success in the competitive world trade. The purpose of this paper is therefore to review the basic concepts and steps involved in a negotiation process and to identify the information and knowledge needs of the LDCs at different stages of trade negotiations, emphasising the importance of negotiation planning.

1.1. Definition of Trade Negotiations

The term “negotiation” originates from the Latin word *negotari* which means *to carry on business*. Negotiation may be defined as a process whereby two or more parties seek an agreement to establish what each shall give or take, or perform and receive in a transaction between them (Saner, 2000). Alternatively, it is an act of discussing an issue between two or more parties with competing interests, with an aim to identify acceptable trade-offs for coming to an agreement (Raihan, 2004).

Negotiations are of different types and forms, and various nomenclatures have been developed to classify them (for example, see Monning and Feketekuty, 2004). In this paper, the focus is on multilateral trade negotiations, which may be defined as inter-governmental negotiations on trade-related issues involving all members of the World Trade Organisation (WTO)¹.

1.2 LDCs and Trade Negotiations

At the conclusion of the Uruguay Round of Multilateral Trade Negotiations (MTN), the total number of founding LDC members of the WTO was 30.² Since the launch of the WTO in 1995, only two more LDCs, viz. Nepal and Cambodia, have been able to accede to the WTO. However, ten other LDCs are negotiating accession and are associated with the WTO

¹ However, information in this paper may also be relevant for other trade negotiations, including bilateral and regional negotiations.

² The LDCs are Angola, Bangladesh, Benin, Burkina Faso, Burundi, Central African Republic, Chad, Congo, Djibouti, Gambia, Guinea Bissau, Guinea, Haiti, Lesotho, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Niger, Rwanda, Senegal, Sierra Leone, Solomon Islands, Tanzania, Togo, Uganda, Zambia.

as observers.³ LDC members are also taking a more active role in the WTO trade negotiations.

The Uruguay Round promised to generate significant welfare benefits for all countries through the strengthening of the Multilateral Trade System (MTS). However, the LDCs also faced the major challenge of addressing possible negative effects from the obligations thrust upon them under the single undertaking of the Uruguay Round agreements. Meeting these obligations has had to be implemented in the absence of the promised trade-related technical assistance (TRTA) for capacity building in the LDCs. At the First WTO Ministerial Conference in Singapore (1996), while the concerns of LDCs were highlighted in the Plan of Action, new issues were added by the developed countries for subsequent negotiations.⁴ The High Level Meeting (1997) and the subsequent Second WTO Ministerial Conference in Geneva (1998) approved the Integrated Framework (IF), which promoted demand-driven TRTA to effectively meet the individual needs of the LDCs.

After the break down of the Third WTO Ministerial Conference in Seattle (1999), some of the major concerns of the LDCs were incorporated into the WTO work programme during the Fourth Ministerial Conference in Doha (2001). These included issues related to implementation of existing agreements, the elimination of tariff and non-tariff barriers for products of interest to LDCs, the phasing-out of subsidies and trade-distorting domestic farm supports in the developed countries, and the implications of the Agreement on Trade-related Intellectual Property Rights (TRIPS) on public health. As a result, the work programme of the Doha Round was called the Doha Development Agenda (DDA).

During the preparations and at the discussions at the Cancun Ministerial Conference, held in September 2003, the LDCs actively and effectively identified and pursued their interests. Various drafts of the declaration of the Cancun Ministerial Conference incrementally integrated the views of the LDCs. Even if no declaration resulted from the Cancun conference, it was the first ministerial conference where the LDCs established themselves as an influential group whose views are taken note of in the WTO negotiations.

³ Bhutan, Cape Verde, Equatorial Guinea, Ethiopia, Lao People's Democratic Republic, Samoa, Sao Tome and Principe, Sudan, Vanuatu, Yemen.

⁴ These new issues were commonly referred to as the Singapore issues and included the following: (1) trade and investment, (2) competition policy, (3) transparency in government procurement, and (4) trade facilitation. On 1 August 2004, the WTO General Council decided that negotiation would take place on only one of the 4 issues, i.e. trade facilitation.

Slowly, but steadily, LDCs have thus been realising their responsibilities and trying to build their capacities in order to more effectively underscore their concerns and interests in a body dominated by both economically and politically powerful trading nations. Their recent experience has shown in part that they have a long way to go, particularly in the area of trade negotiations. There is now greater recognition that LDCs need to develop their own positive agenda in order to make effective use of the multilateral trading system. This means mobilising their own scarce resources for technical preparations, identifying areas of interest, and mounting a joint effort towards capturing the initiative from the very beginning of the negotiation (Bhattacharya and Rahman, 2004).

While at the same time being involved in multilateral trade negotiations, either as members of the WTO or as observers in the process of accession, most LDCs in the region are engaged in an increasing number of bilateral and regional trade negotiations and agreements. Bangladesh, for example, is currently involved in all three categories of trade negotiations: aside from being one of the leaders of the LDC group at the WTO, it is discussing bilateral Free Trade Agreements (FTAs) with India, Pakistan and Sri Lanka, and has recently finalised a Trade and Investment Framework Agreement (TIFA) with the USA. At the regional level, Bangladesh is negotiating the details of a South Asia Free Trade Area (SAFTA) with Nepal, Bhutan and the Maldives (along with India, Pakistan and Sri Lanka). Issues being negotiated include schedule of tariff reduction, rules of origin, and dispute settlement mechanism. Bangladesh also joined the Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC), another regional agreement in the process of forming an FTA that would include Nepal, Bhutan, but also Thailand, Myanmar and India.

Cambodia is another LDC that has been involved in trade negotiations within the context of ASEAN, as well as at the multilateral level, as the latest WTO member. The only Latin American LDC, Haiti is active in negotiations under the Free Trade Area of the Americas (FTAA) and the Central American Free Trade Area (CAFTA). The African and some Pacific island LDCs, along with non-LDC partners, are involved in trade negotiations with the EU under the African, Caribbean and the Pacific states (ACP) – European Union (EU) Cotonou Partnership Agreement.

The growing number of bilateral and regional trade initiatives, combined with the increasing number of issues being addressed in multilateral trade negotiations under the Doha Development Agenda (DDA), requires that LDCs in Asia and the Pacific build additional negotiating capacity.

2. THE NEGOTIATION PROCESS AND THE IMPORTANCE OF PLANNING

Thoughtful planning and preparation based on good research and analysis are as important determinants of a negotiation outcome as are good negotiating skills at the bargaining table.

The key steps of a negotiation process are summarised in Figure 1 based on a review of the relevant literature⁵. The seven steps leading to a negotiated agreement are discussed below, with emphasis on the five steps involved in planning the negotiations.

Step 1: Problem Identification

Negotiations take place when parties identify a problem or an opportunity that, they believe, can be resolved or positively exploited through a negotiated agreement. The first question to be answered at the start of the negotiation process is whether there is, a problem (or an opportunity) that cannot be resolved (or realised) on the basis of domestic action and that may be amenable to intergovernmental negotiations. For example, the opportunity associated with liberalised service trade is that it may increase economic growth and contribute to poverty alleviation, while the major problem is that most of the countries are protective in this area. Recognising the necessity of preference on the movement of service suppliers under Mode 4 of the GATS, Bangladesh emphasised this issue during the WTO Ministerial Conference in Cancun and succeeded in achieving recognition of this aspect in the final draft of the Ministerial Declaration. This would not have been achieved if the problem had not been identified at an early stage of the negotiation process.

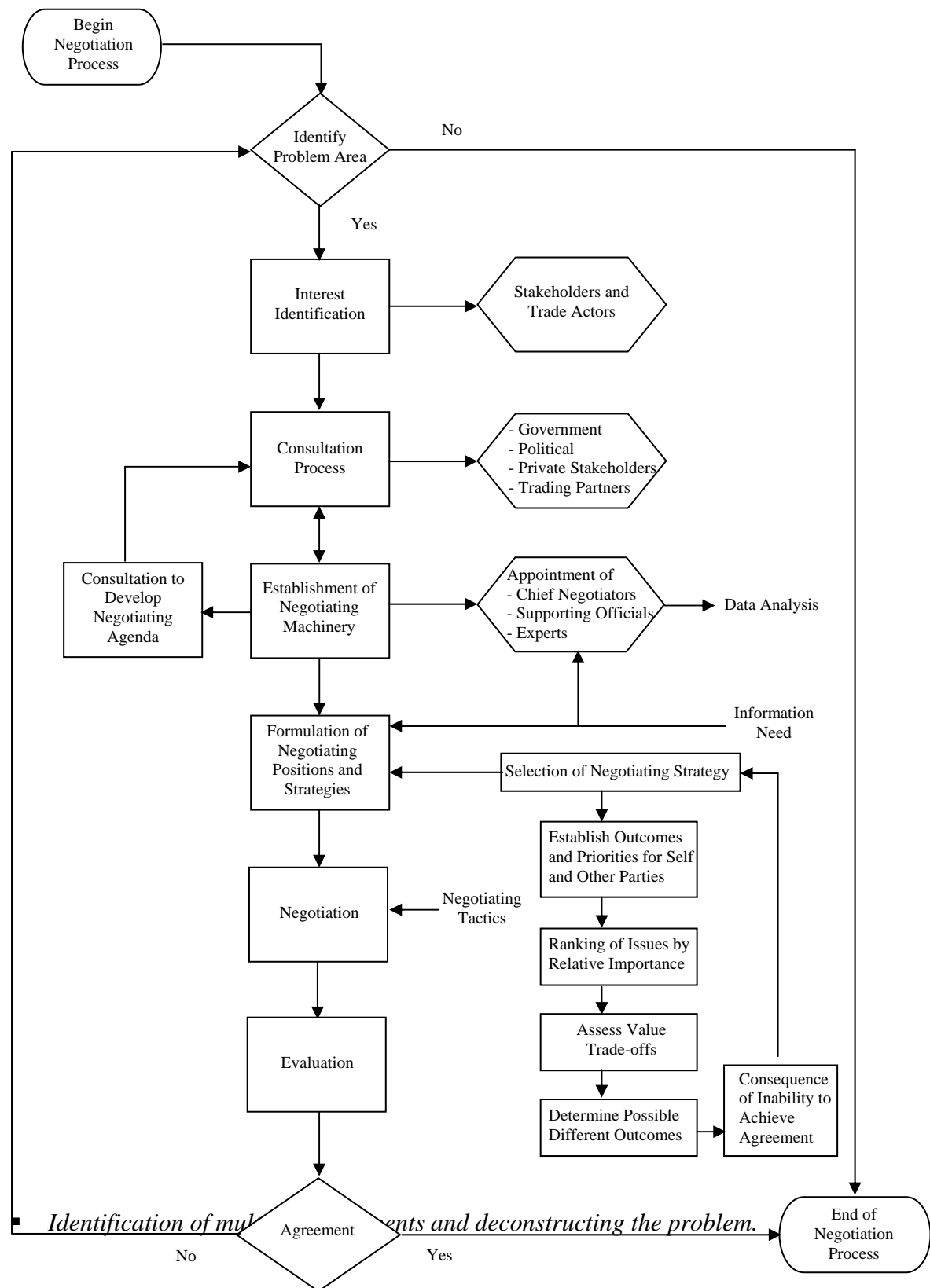
By understanding the nature of a problem or conflict, the interests of other parties can be anticipated and proposals and options can be formulated. This usually involves:

- *Establishing the history of the conflict.*

This essentially involves the following two questions:

- a. What is the history of the conflict between or among parties? In a trade dispute, the history may include past practices, tariffs, quotas, dumping, or other trade-related practices that have defined a trading relationship.
- b. What has changed since the original conflict began? This may include changes in political parties or representation, in key players within administrations or in business interests.

⁵ CTPL (2003), Monning and Feketekuty (2004), Saner (2000) and World Bank Institute (WBI, 2004).

Figure 1. The Negotiation Process

Once the problem has been deconstructed into its discrete parts, the key issues can be identified and prioritised. Multiple solutions can then be evolved for different aspects of the problem.

Step 2: Interest Identification

Once the problem is well understood, one has to identify who may benefit and who may lose in the negotiation. It is particularly important to recognise whether there are any powerful interest groups that may either support the efforts to negotiate a solution to the problem or strongly oppose the negotiations.

Monning and Feketekuty (2004) explain that interests are at the core of what drives parties in a negotiation. Better understanding of one's own interests as well as those of the counterparts will lead to a successful negotiation outcome. In international negotiations, interests may revolve around issues of economic interests; domestic policy objectives, such as environmental integrity and resource protection; national security; domestic political considerations; bureaucratic interests; national legal requirements; issues of legitimacy (recognition); and moral or ethical standards. The ability to identify the divergent interests or varying priorities of the different negotiating parties and their stakeholders can provide the basis for generating workable solutions.

Stakeholders, while not directly involved in the negotiations, include individuals, groups and organisations that may be affected by the trade negotiations depending on their outcome. Three major categories of domestic stakeholders are identified by the World Bank Institute (WBI, 2004).

First, various government ministries and departments responsible for administering the regulations likely to be covered by the negotiations,

Second, the enterprises producing the goods or services likely to be covered by the prospective negotiations.

Third, other stakeholders can include labour unions, non-governmental organisations, consumer groups, etc.

By the end of step 2, domestic stakeholders and their general interests should be identified.

Step 3: Consultation Process

Once stakeholders and their interests have been identified, it is important to plan and organise an effective consultation process to further understand their needs and gather information needed to develop a negotiating agenda and determine a national position on each of the issues to be negotiated.

By their very nature, international negotiations involve people of different national, ethnic, racial, religious, and cultural backgrounds. These people represent governments, businesses, NGOs, and other entities that have a stake or interest in the outcome of the negotiations. However, only those people who are sufficiently interested and influential may be involved in the consultation process (WBI, 2004).

Figure 2 provides a graphic representation of the three groups of stakeholders that should be involved in the consultation process. The innermost circle should consist of the stakeholders within the central government, i.e. the key ministries and departments responsible for regulations covered by the negotiations. Consultations with the members of the inner circle would be frequent and regular, and may be held throughout the consultation process.

The second concentric tier is comprised of representatives from key private stakeholder groups who may be invited to participate in various advisory bodies. These advisory bodies can give negotiators direct feedback on proposed negotiating positions and serve as a vehicle for building consensus with the most influential private stakeholders. Such advisory bodies can also serve as sources of information on trade opportunities and problems, industry practices, and the most difficult barriers to trade expansion.

The third concentric tier includes all other interested stakeholders, who may be invited to participate in briefings or conferences covering the negotiations, during which they will be given an opportunity to express their views.

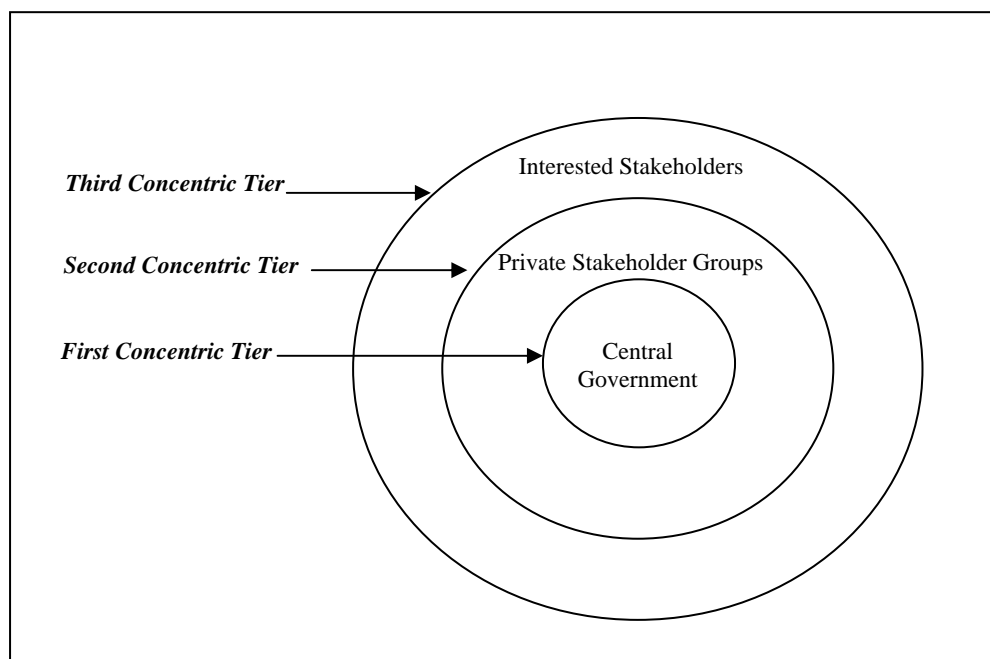


Figure 2. Actors in the Consultation Process

Consultations held during the negotiation process may include:

- Interdepartmental consultation – to develop and assess the analytical basis for the negotiation and to pool all relevant information available from government officials.
- Political consultation – to assess the political basis for negotiation and to secure strong political commitment to trade negotiations from top decision makers.
- Ongoing consultations with central, provincial/state governments, private sector, and other interest groups as required – to build broad-based support (and avoid surprises) for the negotiation. This may require establishment of an institutional machinery to facilitate consultations among all affected interests.
- Consultations or pre-negotiations with trading partner(s) - to confirm interest and test issues.

Step 4: Establishment of a Negotiating Machinery and Developing a Negotiating Agenda

At this stage, the chief negotiator and a team of supporting officials drawn from relevant ministries and government agencies are appointed. The team of negotiators may also be assisted by experts hired by the government or provided by business associations, civil society and other organisations. Individuals and institutions in this group are referred to as trade negotiation actors, as they work directly on the negotiation and help the negotiating

parties in reaching an agreement, often by providing much needed information, analysis, and feedback.

In Bangladesh, the government ministries play the most vital role in the negotiation of trade agreements, especially the Ministry of Commerce, Ministry of Finance, Ministry of Foreign Affairs, and the Tariff Commission. Other ministries and departments, such as the Ministry of Planning, the Board of Investment, and the Economic Relations Division, also provide direct or indirect support.

Bangladesh, like most LDCs, became more proactive about WTO related issues after the DDA was adopted. As a result, the Ministry of Commerce set up a special “WTO Cell” to improve its capacity to negotiate on the DDA. The government is also setting up the Bangladesh Foreign Trade Institute (BFTI), an institution under public-private partnership that will work as a think-tank for the government and private entrepreneurs in the field of international trade.

Many of the private actors, civil society groups and think-tanks in Bangladesh also play an important role in trade negotiations. The participation of these private actors contributed to the success of the Second LDC Trade Ministers’ Meeting held in Dhaka just before the Cancun Ministerial in June 2003.⁶ The growing trade-negotiation related capacity of Bangladesh was further recognised when the Bangladesh Government was requested to provide support in preparing the Declaration of the Third Meeting of the LDC Trade Ministers held in Dakar in May 2004.⁷

The compilation and assembling of various information becomes necessary at this stage of the negotiation process (CTPL, 2003). Further consultation may be held to develop the negotiating agenda based on issue identification, empirical and policy research analysis, and inputs from stakeholders and trade actors. If necessary and desirable, a separate negotiating track could also be established to address trade-related issues (e.g. environmental, labour, intellectual property rights, etc).

Step 5: Formulation of Negotiating Positions and Strategies

⁶ The Second LDC Trade Ministers’ Meeting was held from 31 May to 2 June 2003. The Declaration issued by the ministers is available at www.wto.org as document WT/L/521.

⁷ The Third LDC Trade Ministers’ Meeting was held on 4-5 May 2004. The Declaration issued by the ministers is available at www.wto.org as document WT/L/566.

Based on the available information, continuing analysis and consultations, negotiating positions and strategies may be formulated. Selection of a negotiating objective at the very beginning of this step is highly recommended, in order to provide a clear focus for both the preparatory work leading to a negotiation and to the management of the negotiation itself.

Box 1. Success Factors in Negotiation Planning

- Widest possible range of options
- More attention to common ground
- Greater attention to long term factors
- Setting upper and lower limits rather than fixed target points
- Planning of issues without establishing a rigid sequence
- More time devoted to studying the conflict
- Less attention paid to own objectives than to a jointly achieved solution
- Less attention to tactics: these are often overrated

Source: Adler (1982) and Dupont (1986) in Saner (2000).

Eight success factors in negotiation planning are listed in Box 1. As part of the strategic planning of the negotiation, systematic analytical methods may be used to establish priorities and to assess value trade-offs. Steps involved in developing a negotiating strategy may include:

- Establishing outcomes and priorities for self
- Estimating outcomes and priorities for other parties
- Identifying and assessing major trade-offs
- Identifying all possible outcomes and consequences.

When establishing preferred outcomes and priorities for self as well as for other parties, ranking of issues related to the negotiation, according to their importance and relevance to the problem, may be particularly useful. Each issue may be assigned an importance weight (for example, on a scale from 0 to 1) both from the perspective of self and other parties.

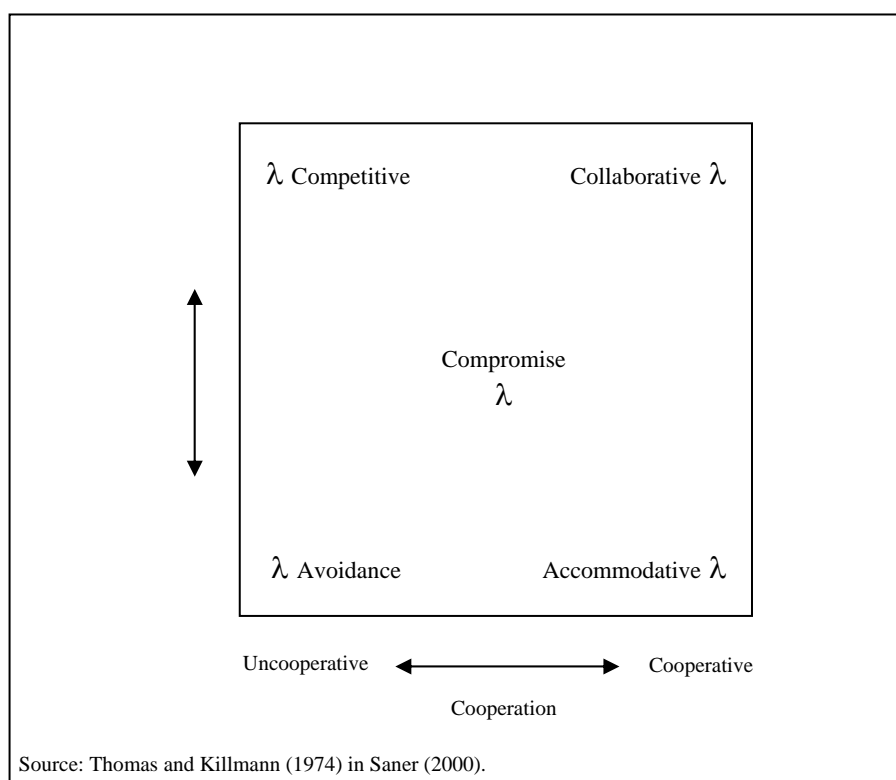
Maximum and minimum expectations from the negotiation of each issue should be determined. The maximum expectation from the negotiation should be the opening position of the negotiators, while the bottom line (minimum expectation) should be their reserved position. A number of alternative outcomes should be identified in between these two extreme positions on each of the issues to be negotiated (CTPL, 2003). All the possible

outcomes should be taken into account and the consequence of inability to achieve an agreement should also be determined.

Evaluating the consequence of an agreement, not being reached, is one of the major challenges in strategizing and formulating the whole negotiating position. The countries should reserve their alternatives for such outcomes and do appropriate analysis of the non-agreement consequences, though it is never in anyone's expectation to fail in negotiating and thus reach no agreement. In this connection, an example may be cited from the on-going negotiations under BIMSTEC. During these negotiations, Bangladesh demanded compensation for revenue cost by the LDCs during trade liberalisation undertakings. The other negotiating parties, particularly the developing countries, did not agree to this demand. Bangladesh, on the other hand, could not show much flexibility by offering alternatives and was the only LDC which did not sign the agreement. Later, Bangladesh joined the BIMSTEC agreement by withdrawing its demand.

An important aspect of the strategy is the selection of an appropriate behaviour during the actual negotiation of the different issues. As shown in Figure 3, negotiating behaviours, also referred to as modes of conflict management, can be classified into five broad categories, depending on the combination of assertiveness and cooperation that is selected.

Figure 3: Modes of Conflict Management



1. *Competitive behaviour.* The essence of this power-oriented behaviour lies in its effort to achieve goals by trying to persuade the other party to make concessions. Under a competitive strategy, the other party may be convinced to concede by:

- Augmenting to encourage concessions
- Firming commitment to demands
- Refusing to reveal/share information
- Delaying
- Misrepresenting
- Rejecting the other's demands for concessions
- Withholding concessions
- Refusing to exchange offers
- Threatening walkout or retaliation

The competitive mode of behaviour may be useful to achieve desired results on some of the issues under negotiation, but it may also lead to impatience and loss of flexibility, leaving little room for movement towards cooperative approaches and a constructive solution to the conflict.

2. *Accommodative behaviour.* This behaviour gives highest priority to cooperation and reaching an agreement. It is opposite to a competitive behaviour, as the negotiator is willing to adjust most self-interested objectives in order to satisfy the interests of the other party.

3. *Avoidance.* This behaviour combines non-cooperative behaviour with a lack of assertiveness, generally leading to a no-win solution where the interests of none of the parties are met. This strategy could be used to defer or postpone awkward issues that might not be amenable to an agreement until a more favourable moment. It is a position that is extremely versatile and possibly useful, but it should be used in a focused and targeted manner, since frequent avoidance of conflict reduces the chances of satisfactory results in the future.

4. *Collaborative behaviour.* Collaboration requires the parties to familiarise themselves thoroughly with the conflict and its causes in order to work towards finding a constructive joint approach. Without losing sight of their own principles and interests, each party works through the differences separating them and learn from each other's point of view and experiences. This strategic choice of behaviour may be implemented by:

- Signalling desire for agreement
- Exchanging information about needs/priorities
- Brainstorming and joint assessment of options

5. *Compromise*. Parties in the negotiation may come to a compromise in order to achieve a satisfactory alternative that might be partially acceptable to both of them. Positions for such a solution lie between avoidance and collaboration. It is where the parties make moves towards one another or look for rapid agreement that is satisfactory because it is acceptable to them.

The following aspects should be considered in selecting a strategic behaviour:

- Importance of the negotiation
- Consequences of non-agreement
- Common interests of the parties
- Relationship quality
- Power to impose demands

Step 6: Negotiation

It is during this phase the negotiation strategy will be implemented and requests will be made, concessions offered, and compromises reached. In the context of multilateral trade negotiations, an effective and well-known method, for gaining support for negotiating proposals and to increase negotiating power, is to build coalitions among like-minded groups and countries. According to the WBI (2004), a coalition partner may support efforts to prepare negotiations in some or all of the following ways:

- Help brainstorm possible solutions (options) to present in the negotiation
- Reach out to their constituents (members) to involve them in collateral legislative, lobbying, media, or other supportive activities
- Help to raise resources including funds to advance various aspects of a concerted campaign which will support the negotiators
- Provide market research, scientific research, and other data to support the negotiating objectives.

Findings from the research community, international governmental organisations (IGOs) and non-governmental organisations (NGOs) could also be used to press for a particular point of

view. In that form, partnerships can also go beyond, strictly speaking, negotiating parties and include IGOs or NGOs representing civil society groups. A point to note is that it is necessary to first work with coalition partners in order to align on the most important issues among the coalition partners, then work with the other parties.

The LDCs could gain significantly if they are able to build up coalitions and stand firmly against groupings of powerful developed countries. The united stand that LDCs displayed at the Cancun ministerial conference is one of the best examples of the effectiveness of coalition building and partnership, especially in a multilateral trade negotiation. The developed countries failed to insert new issues into the agreement, mainly because such a coalition was built up by the LDCs together with other developing countries. During the WTO Ministerial Conference in Cancun, Bangladesh and some African countries also helped each other in the case of cotton and Mode 4 of the services agreement.⁸

Step 7: Assessment

After the actual negotiation has finished and the elements for an agreement have been put together, a short evaluation of the whole outcome becomes necessary to decide whether a successful agreement is possible, or another round of negotiations might be needed. Assessment is required after the parties reach a point of consensus. Making an assessment tends to be a task assigned to officials with legal expertise, who base their effort on the substantive work done by the negotiators and work in close collaboration with the negotiators. However, it is useful to assign the legal officers to the negotiating team from the start in order to assist in development of draft texts. If consultations have been pursued throughout the draft text, political approval should be a final, formal step that would create little or no difficulty.

3. INFORMATION REQUIREMENTS

Information and skilled analysis of that information are the key determinants of a party's ability to negotiate a successful outcome. The highly technical nature of trade negotiations means that success will depend on each party's ability to develop solid arguments based on reliable information and exhaustive analysis (Tortora, 2000). This is particularly true in the

⁸ See, for example, the Consolidated Position of African Union/ACP/LDC Position, WTO document WT/MIN(03)/W/17. An assessment of what happened at Cancun may also be found in ESCAP (2004).

case of LDCs, which generally lack the ability to influence negotiations based solely on their economic and political influence.

Careful research and analysis is needed at every step in the negotiation process, particularly during the planning steps leading to the actual negotiations. Information that is required for any trade negotiation generally includes the following about one's own country and other countries:

- Economy, economic policies and foreign trade
- Policies affecting foreign trade in goods and services
 - Import export regulations
 - Internal policies affecting trade
- Trade-related intellectual property regime
- Trade and Economic relations with third countries
 - Agreements with other countries
- Barriers to trade
 - Information on Domestic Support and Export Subsidies
- Competitiveness studies of key industries and sectors under negotiation
- State trading

Information requirements would vary depending on the stage of the negotiation process as well as the nature or type of trade negotiations.

3.1 Information Requirements at Different Steps of Trade Negotiation

An overview of the information required at each step of the trade negotiation process is presented in Box 2.

Box 2. Information Required at each step of the Trade Negotiation Process

Steps of Negotiation	Required Information / Analysis
Step 1 – Problem identification	Detailed information on the trading regime of one's own country: <ul style="list-style-type: none"> - Country's import and export figures

	<ul style="list-style-type: none"> - Investment figures, both local and foreign - Detailed statistics on trade in goods and services - Production capacity and prices of goods and services
Step 2 – Interest identification	<ul style="list-style-type: none"> - Trade data of neighbouring and partner countries - National trading rules and policies - Trade rules and policies of other countries
Step 3 – Consultation process	<ul style="list-style-type: none"> - Who are the trade actors: the related government departments - Interested stakeholders involved with the identified problem - Interested political parties - Interested trading partners
Step 4 – Establishment of negotiating machinery and development of a negotiating agenda	<ul style="list-style-type: none"> - Best negotiators available in the required field - Available supporting government officials - Research and analysis done in the required field
Step 5 - Formulation of negotiating positions and strategies	<ul style="list-style-type: none"> - Importance of related or linked issues - Available concessions - Common interests of the negotiating parties - Quality of political and trading relationship - Possible solutions - Consequence of non-agreement
Step 6 – Negotiation	<ul style="list-style-type: none"> - Position of other negotiating teams - Possible strategy of the other countries - Coalition partners
Step 7 – Assessment	<ul style="list-style-type: none"> - Consequence of the agreement - Barriers to implementation

Examples of how the collected information may be used to prepare negotiating requests and offers in the case of WTO negotiations on trade in services are as follows (WBI, 2004):

- Analysis of information drawn from the export data, economic studies, industry surveys and studies of other economies should lead to conclusions regarding the services in which the country already has or could easily develop competitive exports.
- Analysis of information about foreign regulatory barriers and industry assessments of their relative importance, when combined with the analytical conclusions regarding potential export industries, can lead to conclusions regarding the foreign regulatory barriers that should be targeted in the requests submitted to other countries in the first stage of the negotiations.
- Analysis of import data, economic studies, industry surveys, studies of other economies and inputs provided by domestic ministries or departments can lead to conclusions regarding the services in which the country has weaknesses, and in which liberalisation commitments should only be made on the basis of long phase-in periods, or precluded altogether.
- Analysis of information on regulatory issues can lead to conclusions on how requests and offers in particular sectors or with respect to particular horizontal measures should be framed.
- Information on the positions and interests of both domestic and foreign stakeholders are crucial for the development of negotiating positions, the development of requests and offers, and the development of negotiating strategies and tactics.

3.2 Information Requirement in Various Types of Negotiations

Information requirements are likely to vary depending on the type of negotiation. For example, the information required for negotiating accession to an existing trade agreement is very different from the information that is needed for a trade dispute settlement. The negotiator must decide at the very beginning of the negotiation process which type of information should be gathered. Box 3 provides an overview of information requirements by type of trade negotiation.

Box 3. Information Need by Type of Trade Negotiation

Types of Negotiation	<i>Required Information</i>
Accession	<ul style="list-style-type: none"> - Rules and procedures for accession - Detailed information on the country wishing to access - Demand by the member countries

	<ul style="list-style-type: none"> - Countries that have already become members by the accession procedures <ul style="list-style-type: none"> • Details of the accession process • What were the problem areas • How were they resolved • What were the key measures • Reasons for delay/success - Consequences of the outcomes
Trade Negotiation: Built-in-Agenda	<ul style="list-style-type: none"> - Current state of the negotiations - Details of the issues concerned - Offers/proposals of interested countries - Existence of any modalities - Possible area/scope of disputes
New Negotiating Issues	<ul style="list-style-type: none"> - What progress has been achieved on the old issues - Detailed information on related matters concerning the new issues - Which we the countries opposing /supporting the issues - Could a coalition be built on the new issues - Consequences of opposing/supporting the issues
Dispute settlement	<ul style="list-style-type: none"> - Details of the issue that is subject of the dispute - Causes that motivated the dispute (own and that of the disputant) - Disputes that have already taken place on similar issues - Rules and procedures for dispute settlement - Members of the dispute settlement unit

3.3 Collection of Information

Once it has been decided that particular information is relevant and necessary, the next question is where to find that information. Collecting information in one's own country might be comparatively easy, while major challenges will lie in assembling information about the other negotiating countries. Box 4 lists some possible sources of trade-related information.

Box 4. Possible Sources of Trade Related Information

Required Information	Possible Source of Information
Import and Export	<ul style="list-style-type: none"> ▪ Official data ▪ Major exporters and industry associations in individual sectors can supplement the official statistics to provide additional data that can provide insights at a product level ▪ Help in assembling this information can also come from a number of international institutions such as the International Trade Centre in Geneva and multilateral development banks and bilateral economic development assistance agencies such as the United States Agency for International Development (USAID) and the Canadian International Development Agency (CIDA), for example.
Competitive strengths and weaknesses of industries in the country	<ul style="list-style-type: none"> ▪ Initial information: trade data ▪ Additional insights into competitive strengths can come from economic studies carried out by academic experts, assessments provided by industry experts, and a review of the export performance of other countries at a similar stage of economic development and similar economic circumstances.
Information about foreign trade barriers	<ul style="list-style-type: none"> ▪ Best provided by industries: The necessary canvassing of the industry can be done either by the trade negotiators themselves, by consultant hired for the task, or by a general industry association. ▪ Insights into trade barriers can also be found in surveys done by third countries, particularly third countries with large research units and staff.
Information about regulatory issues	<ul style="list-style-type: none"> ▪ Best sources are the other government stakeholders responsible for areas of negotiation and international organisations that have carried out regulatory studies, including WTO, UNCTAD, World Bank, OECD and other sectoral bodies

Source: WBI, 2004.

Search for information should start from one's own country and organisation. Trade actors and researchers need to accumulate local information first. Box 5 shows the possible sources of information in Bangladesh for various trade-related data.

Box 5. Selected Sources of Trade Related Information in Bangladesh

Information	Source
Import/Export and Letter of Credit Openings	Foreign Exchange Policy Department, Bangladesh Bank
Imports, Foreign Direct Investment	<ul style="list-style-type: none"> • Statistics Department, Bangladesh Bank • Board of Investment
Tax Revenue Earnings	<ul style="list-style-type: none"> • National Board of Revenue • Statistics Department,

	Bangladesh Bank
Non-tax Revenue and Revenue Expenditure	Ministry of Finance
Government Borrowing, Loans, Domestic Credit	Bangladesh Bank
Capital Market (DSE)	Stock Exchanges
Foodgrain Production	<ul style="list-style-type: none"> • Agricultural Division • Bangladesh Bureau of Statistics
Foreign Aid	ERD, Ministry of Finance
Foreign Investment (EPZ)	BEPZA

Even when approaching a new problem or situation, there might be valuable information available locally about the history of a counterpart, anecdotal information about various negotiators and their styles, habits, preferences, and records or archives about a particular trade or economic issue. Other useful sources of information may include:

- Researchers and negotiators – They could be quite helpful to find information as they are in contact or have access to other researchers, negotiators, intelligence services, economists, and experts. This could prove helpful in assembling country profiles, economic trends, historical information, and current analysis of issues related to the negotiation.
- The Internet – Search inputs could be country, region, names of negotiators, products, economic studies, and subject fields pertinent to the negotiation.
- News and media outlets - Coverage of key regions, countries or issues could be identified as sources for specific records. Monitoring of news and current events during the negotiations is necessary as well. A change in stock values, natural disaster, political change, or other factors might also influence the country's negotiators during a negotiation.

Information could also be accumulated during the negotiating round by asking the counterparts questions. Information that has not been offered or volunteered by a counterpart in an opening or affirmative statement may be shared or revealed in response to a question (Monning and Feketekuty, 2004).

The availability of information often depends on the nature of the relationship and trust, as well as national policy. Current national policy might preclude sharing relevant information with other parties in a negotiation, even though the relationship between the parties is good. Constraints to accumulation and analysis of information by LDCs typically include:

- Limited resources (financial and human)
- Limited access to technology (internet access, hardware and software availability)
- Conflicting priorities and events: political, environmental, international
- Quality and quantity of information: reliability, validity, format, recent/old data
- Limited data analysis capacity (lack of training and tools)
- Unwillingness of other countries to share data, as well as unavailability of data in own country.

4. CONCLUDING REMARKS

The success of the Uruguay Round attracted a large number of LDCs to join the WTO with a promise to bring growth and development through the benefits of open trade. Unfortunately, not as much as expected has been achieved to date, apart from the fact that burdens on the LDCs have increased in some areas. LDCs have not been able to significantly improve their share in global trade thus far, despite some external support and assistance. In order to do so, adequate domestic development in the form of capacity building is required. LDCs have to build their human and institutional knowledge base for identifying trade interests and effectively communicating with trading partners in order to create the capacity to increase their share in world trade.

The planning phase is one of the most crucial parts in the negotiating process. All parties, actors and stakeholders related to a negotiation should work together closely so that detailed planning and sharing of information could be done openly without restraint. LDCs and other developing countries often lack the ability to access relevant information because of limited political influence, as well as a lack of adequate financial and human resource capacity. Appropriate training in order to strengthen knowledge and information management for negotiations would be useful to ensure that LDCs come to the negotiating table with the information they need.

In that context, improving the flow of information between the negotiators and the relevant government agencies and ministries is particularly important. Ministries in charge of multilateral trade negotiations should provide necessary guidance to their permanent representatives in Geneva. This includes providing special support to gather and organise relevant information on trading partners from local and international sources, so that it can be easily retrieved by negotiators. Research institutions and think-tanks should also join with the government to engage in extensive analysis of the data and information.

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